

5/3/78 [1]

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Memo	Kraft & Gammill to Pres. Carter, 13 pp., re:Recommendations	5/3/78	C
Memo	Eizenstat to Pres. Carter, 7 pp., re:Recommendation	5/1/78	C
Memo	Jim Free to Pres. Carter, 2 pp., re:Recommendation	4/21/78	C

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Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential
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THE PRESIDENT'S SCHEDULE

Wednesday - May 3, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

10:00 Mr. Jody Powell - The Oval Office.

10:30 Meeting with His Excellency Takeo Fukuda,
(90 min.) Prime Minister of Japan. (Dr. Zbigniew
Brzezinski) - The Cabinet Room.

12:00 Working Lunch with Prime Minister Takeo Fukuda.
The First Floor Family Dining Room.

1:35 Depart South Grounds via Helicopter en route
Andrews AFB and Visit to Colorado,
California, Oregon and Washington.

THE PRESIDENT HAS SEEN.

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

1 MAY 1978

MEMORANDUM FOR THE PRESIDENT

FORM: Ambassador Robert S. Strauss *RSS*
SUBJECT: Your Meeting with Prime Minister Fukuda

There are a few trade points that would be most useful for you to make with Prime Minister Fukuda.

The initial effects of the appreciation of the yen will give the appearance of substantially increasing the Japanese current account and trade surpluses. The figures will look very bad for the next few months, at a minimum. The pressures will build in the United States for a protectionist reaction.

To forestall this, the United States and Japanese Governments have to be seen making progress in both the near term on trade obstacles which block our exports to Japan and on longer term efforts to work toward trade liberalization. Therefore I would suggest that you stress the following:

1. Japan must be seen to be very forthcoming in the Multilateral Trade Negotiations (MTN). Right now the contrary is the case. The Japanese tariff offer is inadequate and Japan's unwillingness to negotiate on government procurement is an impediment to our making progress with other countries.

2. Agriculture cannot be left out of the MTN. We cannot get Congressional approval of an MTN package unless important United States agricultural interests are at least partially satisfied. Fukuda will have to take some political heat to make concessions on agricultural quotas (such as citrus, beef, and beans), so he must be convinced that such concessions are essential for us. (Minister Ushiba specifically asked that you make this point.)

3. Fukuda should take personal interest in ensuring that the Trade Facilitation Committee (TFC) comes up with well publicized success stories -- so necessary to offset criticism of Japan which will mount each month as Japan's trade surplus is published. The TFC, set up to clear away barriers faced by U.S. firms, has had some successes, but has failed when it has run into entrenched domestic bureaucracies. It will take strong leadership from the Prime Minister to overcome such resistance.

4. Express your satisfaction that Japan has implemented the specific trade items in the January 13 joint statement (except beef), but improvements on a few items will not do the job; we need general improvement too.

Background

A. U.S. MTN Goals

An essential U.S. goal in the MTN is obtaining major reductions in Japan's tariff and nontariff barriers to attain the goals set out in the Strauss-Ushiba Joint Statement: (a) basic equity in our trading relationship; (b) substantially equivalent competitive opportunities; (c) parity in openness of markets; and (d) comparable average levels of bound tariffs.

Unless the Joint Statement goals are achieved, we will not be able to conclude the MTN successfully, nor could we obtain Congressional approval for the MTN package. (The Congress must approve all nontariff agreements, and because it could hold them hostage, implicitly must approve the tariff agreement.)

Japan must make major, across the board, improvements in its offer to get its average tariff down the rate we are offering (3.3% tariff on our imports from Japan). We also need improvements in product sectors where we have a strong export interest, e.g., computers, photographic equipment and film, scientific instruments, machine tools and machinery, household appliances, and communications equipment.

In the non-tariff barrier area, a U.S. priority is breaking down the "buy Japanese" practices of the Japanese Government and quasi-government organizations (communications companies, power utilities, tobacco monopoly). We want Japan to have all these entities make purchases under fair auction procedures to give foreign suppliers a fair opportunity. We are working on rules to this effect in a government procurement code in the MTN, but the Japanese have been balking.

Japan's agricultural quotas--particularly those on fresh oranges, orange juice, beef, and beans--are a major irritant in our trading relationship. Japan increased the citrus and beef quotas as part of the Strauss-Ushiba agreement, but we believe the citrus quotas should be enlarged. So far, Japan has not offered any further increase in these agricultural quotas in the MTN.

The United States is serious about the July 15 deadline for making the necessary decisions to wrap up the MTN by the fall of 1978. The July Summit would be seriously hurt if we fail to meet the July deadline. (If you do not mention the July 15 deadline, the Japanese could interpret it as a weakening of our commitment to it.)

B. Trade Facilitation Committee (TFC)

Juanita Kreps set up the TFC last fall, with Frank Weil of the Department of Commerce representing us and the Ministry of Trade and Industry (MITI) representing Japan, to: (a) promote U.S. exports and (b) to remove barriers U.S. exporters might run into. The barrier removal function has had some successes, but will have to receive a much stronger Japanese commitment if it is to succeed in the tougher cases -- such as the Japanese tobacco monopoly limiting purchases, sales outlets, and advertising of American cigarettes while pushing sales of Japanese cigarettes.

WASHINGTON

DATE: 01 MAY 78

FOR ACTION:

INFO ONLY: ZBIG BRZEZINSKI

SUBJECT: STRAUSS MEMO RE YOUR MEETING WITH PRIME MINISTER FUKUDA

[illegible]

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

May 3, 1978

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jack Watson

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
✓	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
✓	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

May 1, 1978

*Ham -
Good idea to
get Civ Serv Reform
support -*

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO *Joe*

As I mentioned in our meeting today, I recommend that you invite the sub-Cabinet presidential appointees (and perhaps some other key administration people) to the White House for two purposes: (a) so they can get to know you better, and (b) so you can urge them to support actively and aggressively the civil service reform legislation.

THE WHITE HOUSE
WASHINGTON

May 3, 1978

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

SUN DAY ADDRESS

	FOR STAFFING
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✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
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	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
✓	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
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	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503



MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. MCINTYRE, JR. *Jim*
SUBJECT: Background for the President's Sun Day Address

As you requested, we have developed the following information on your solar energy program for possible use in your Sun Day address.

Funding for Solar Energy Development:

	(Budget Authority - \$ millions)			
	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>% Change 1977-1979</u>
Heating and Cooling Demonstrations	76	65	36	- 53%
Photovoltaics and Other Solar R&D	157	254	264	+ 68%
Wind and Ocean Thermal R&D	52	72	74	+ 42%
Biomass R&D	<u>20</u>	<u>21</u>	<u>27</u>	+ 35%
Total, Research, Development and Demonstrations	305	412	401	+ 31%
Tax Credits	<u>0</u>	<u>0</u>	<u>100</u>	--
Total Federal Expenditures	305	412	501	+ 64%

Budget Highlights

- The President's budget recognizes that solar hot water and solar space heating, helped by the earlier successful research and demonstration activities (including some 9,000 demonstrations in commercial and residential units through 1979) are technologies that are ready to be used now in many areas of the country. What is needed now is a strong incentive to help the market continue to grow rapidly, and that is what is proposed with the proposed tax credit. Consistent with this approach, the President's budget places less emphasis on R&D funding for heating and cooling and shifts the emphasis to the relatively less costly, more basic research for promising advanced solar technology (e.g., advanced photovoltaics and other solar R&D).

- ° The President's total solar energy budget for FY 1979 (research, development, demonstration and the credits) represents a 22% increase over FY 1978 for an aggressive and comprehensive solar program covering all major solar technologies. Key initiatives include:
 - The proposed tax credits, which will cover up to \$2,000 of a home-owners expense in applying solar equipment to the home.
 - A program (up to \$100 million over three years) to put solar equipment in Federal buildings as a demonstration of the Administration's confidence in the technology.
 - Planned completion of demonstrations of solar hot water and space heating in some 9,000 home and apartment units through 1979.
 - Increased R&D (+14%) on new solar cooling technologies for homes and commercial buildings.
 - Increased R&D (+35%) on new and better ways to use agricultural and forest wastes and crops to produce energy, including small applications using wood as a substitute in cases now requiring oil and natural gas.
 - Increased R&D (+14%) to help develop wind energy systems in all sizes ranging from farm/home scale to very large machines for use by utilities.
 - Increased R&D to explore novel approaches for producing inexpensive semiconductor (photovoltaic) devices that convert solar energy directly to electricity.

The Administration's Commitment to Solar Energy Development (FY 80)

- ° In the FY 1980 Budget, the Administration will continue to pursue an aggressive and comprehensive research program to develop new technologies, such as the advanced photovoltaic devices, which have the promise of becoming an inexpensive way to tap this clean and abundant resource to help meet our future energy needs.
- ° As part of our planning effort, my staff is now undertaking a review to determine the best manner in which the Federal Government can use and support the development of our solar energy resource.

THE WHITE HOUSE
WASHINGTON

May 3, 1978

Peter Bourne
Jack Watson
Zbig Brzezinski

The attached was returned in the
President's outbox today and
is forwarded to you for your
information.

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

May 2, 1978

To Attorney General Bell

Congratulations on your efforts which led to the Colombian drug seizure this past weekend.

I hope you will convey my deep appreciation to Administrator Bensinger and other appropriate members of your Department for their effective support in this triumph of international cooperation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jimmy", with a long horizontal line extending from the top of the first letter.

The Honorable Griffin B. Bell
The Attorney General
Washington, D. C.

THE WHITE HOUSE

WASHINGTON

May 2, 1978

To Secretary Cyrus Vance

Congratulations on your efforts which led to the Colombian drug seizure this past weekend.

I hope you will convey my deep appreciation to Ambassador Asencio and other appropriate members of your Department for their effective support in this triumph of international cooperation.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jimmy", with a long, sweeping horizontal line above the name.

The Honorable Cyrus R. Vance
The Secretary of State
Washington, D. C.

THE WHITE HOUSE
WASHINGTON

May 3, 1978

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

May 2, 1978

Frank

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE *FM*
BOB THOMSON *by Bob*

SUBJECT: CALLS - WATERWAY USER CHARGES (by Humphrey,
Anderson & McGovern)

A. BACKGROUND

We realize you are being asked to make calls on a number of issues tonight and tomorrow morning. Unfortunately, a number of issues are at a critical point.

The vote on Waterway User Charge/Lock and Dam 26 legislation occurs shortly after noon tomorrow. The two alternatives are summarized on the attached sheet. Brock Adams has said you will veto the Long proposal. We favor the Stevenson-Domenici proposal.

The Long proposal - not yet filed as an amendment - was circulated this morning. It gives us a date certain for the imposition of user charges, but does not include the recovery of any capital costs. The Stevenson-Domenici proposal provides that new projects must include recovery of 10% of capital costs at 1% per year.

B. SENATORS TO BE CALLED

The following should be called. They are prioritized.

1. Senator Birch Bayh - supported us last time on a much tougher amendment. *will help +*
2. Senator Muriel Humphrey - Hubert was a strong supporter of Lock and Dam 26. *will help*
3. Senator Wendell Anderson - He was for us originally, but farm pressure in an election year now makes him leaning against. *Lf*
4. Senator George McGovern - Leaning against because of farm pressure. *out L+*

C. TALKING POINTS

1. The Administration has made substantial concessions to the barge industry, but we have now reached our bottom line. You must have a bill containing cost recovery of new projects at least as substantial as that in the Stevenson-Domenici Amendment.
2. You should plainly state that you will not approve legislation that does not contain at least that level of cost recovery.
3. These farm state Senators can use your veto threat as an excuse for supporting Stevenson-Domenici. Without a level of cost recovery at least that great, a new Lock and Dam 26 - badly needed by barges hauling farm products - will not be built.

WATERWAY USER CHARGES/LOCKS & DAM 26

COMPARISON OF TWO APPROACHES

Two legislative approaches to the matter of waterway user charges/Locks and Dam 26 have been proposed for consideration by the Senate. Both would amend H.R. 8309, the House bill calling for a 6¢ fuel tax.

Barge Industry Amendment

- (1) Authorizes replacement of L&D 26.
- (2) Imposes a fuel tax at a 4¢ level increasing in 2¢ increments at two-year intervals until it reaches 12¢. The tax would not go into effect until 1982 or until construction began at Lock and Dam 26 - whichever is earlier. Thus the tax would not go into effect for four years - even the House bill does not contain this long delay.
- (3) Provides for a study by Transportation and Commerce with recommendations for future cost recovery to be made by 1981 with Congress either enacting the recommendations or rejecting them within one year by concurrent resolution.

Stevenson/Domenici Amendment (Supported by the Administration)

- (1) Authorizes replacement of L&D 26
- (2) Imposes a fuel tax of 4¢ per gallon beginning October 1, 1979, and rising in 2¢ increments per year to a total of 12¢ per gallon on October 1, 1984.
- (3) Provides for study by the Secretary of Transportation, in consultation with the Secretary of Commerce and other interested agencies, of (a) program for cost effective management of the waterways, and (b) the recovery of the costs of such a program to be completed by January 1981.
- (4) Provides that any new major waterway project must include the recovery of 10% of its capital costs to be collected at the rate of 1% per year. This proposal would remain in effect pending Congressional action either enacting or rejecting DOT's study recommendations.

Advantages of the Stevenson/Domenici Approach

- Provides for a higher level of cost recovery (12¢ fuel tax and 10% capital recovery verses 12¢ fuel tax) and reaches the peak level of recovery years earlier than the barge proposal would.
- Establishes the principle of cost recovery for new capital investments in the system, yet sets a low initial ceiling for cost sharing as well as a very limited annual charge by the users of new projects.
- Provides for a more comprehensive analytical study and management plan to assist the Congress, the large industry shippers and regional interests in making future decisions concerning the waterways.
- Closes a loophole in the House bill (H.R. 8309) which would exempt possibly 50% of the waterway system from cost recovery because of the way the system is defined.
- Requires the prompt development and introduction of noncapital intensive measures (such as switch boats and advanced scheduling of tow arrivals at locks through computers and telecommunications) to reduce congestion and to save fuel on the waterways.
- Would achieve greater equity between the modes and an improved allocation of scarce national resources for meeting national transportation requirements.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 3, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: FRANK MOORE
SUBJECT: Calls on Turkey/Greece

The vote in the HIRC will take place after 12:00 today. It will be extremely close. We can only count 17 for sure (including Diggs who said he would vote with us if we needed him). State has worked the HIRC steadily. We have made a lot of calls. At this point, it would be extremely helpful if you would call the following in the following order:

1. *Helen* Meyner -- we thought she would go with us, but now is wavering because of the Greeks in her district. *L+*
2. *Andy Tony* Beilenson (Calif.) *not reached*
3. *Cardiss* Collins - Turkey not interested - will try. *L-*
4. Fowler - *Moore*

THE WHITE HOUSE
WASHINGTON

May 3, 1978

Jim Gammill

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Tim Kraft

COMMODITIES FUTURES TRADING
COMMISSION

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

make calls

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

✓	VICE PRESIDENT
	EIZENSTAT
	JORDAN
✓	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
✓	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE

WASHINGTON

May 2, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*
JIM GAMMILL *Jim G*

SUBJECT: Commodity Futures Trading Commission

Before 1975, futures trading had been regulated by the Commodity Exchange Authority, an agency within the Department of Agriculture. Congress responded to the commodity shortages and increased volatility of commodity prices that occurred during 1973 and 1974 by creating the Commodity Futures Trading Commission and giving it exclusive jurisdiction over all organized futures transactions, many of which had never been subject to regulation before.

The first three years for the Commodity Futures Trading Commission have not been smooth. Along with the problems that afflict most government agencies in the beginning -- personnel problems, undetermined priorities, and excessively centralized decision making -- the Commission was unable to respond adequately to many of the hot issues that arose in the futures markets, such as the Maine potato futures default, the alleged price manipulation in the coffee futures market, and the London commodity option sale scandals.

The original authorization of the CFTC will expire September 30, 1978. During this year's reauthorization hearings, proposals for altering the basic structure of the Commission and for transferring some of its powers to the SEC and to the Treasury Department were seriously considered, and OMB sup-

ported a proposal to replace the five member Commission with an agency having a single administrator, similar to EPA. However, despite these proposals, the Congressional Liaison staff expects that Congress will reauthorize the CFTC as a five member Commission.

Much of the controversy that has surrounded the Commission has focused on the Chairman, William Bagley, and the Vice-Chairman, John Rainbolt. Although these two cannot be blamed for all of the Commission's problems, they are identified with many of them, and they have not been able to take the steps necessary to turn the situation around. It is our opinion that the Commission will be best served by replacing Mr. Bagley and Mr. Rainbolt as soon as possible with people who have not been affiliated with the Commission to date.

Currently, the terms of Vice-Chairman Rainbolt and Commissioner Read Dunn have expired. Mr. Rainbolt's term expired in April 1977 and Mr. Dunn's expired in April 1978. Because the existing legislation allows a member to serve until a successor has been nominated and confirmed, the decision to replace either one or both had been postponed until we had a clear idea of where the reauthorization legislation was headed.

For the seat now held by Vice-Chairman Rainbolt, we recommend that you nominate David G. Gartner of Virginia. Mr. Gartner served for 16 years as the Administrative Assistant to Senator Hubert Humphrey, during which he worked closely with the Senator on many agricultural related bills including the original authorization of the CFTC. Mr. Gartner is well known and respected among the Senators and their staffs for his hard work, judgement, and fairness. His training in economics and as a lawyer coupled with his personal qualities make him well qualified to serve as a member of a regulatory commission.

The Vice President recommends the nomination of Mr. Gartner most highly, and Senator Muriel Humphrey has told you personally of her high regard for

- 3 -

Mr. Gartner's abilities.

For the seat now held by Read Dunn, we recommend that no action be taken at this time. The proposed reauthorization legislation will allow the President to designate the Chairman of the CFTC from among members at any time. Under the current legislation, once a member is designated Chairman, there is nothing that the President can do to remove him as Chairman until the end of that individual's term as a member.

If this change is adopted, there will be a very strong sentiment for you to designate a new Chairman. If you wished to designate someone who is not now a member of the CFTC, Mr. Dunn's seat is the only possible vacancy to which that person could be nominated. For this reason, we are recommending no action at this time with respect to the seat now held by Read Dunn.

Recommendation:

Nominate David G. Gartner to the Commodity Futures Trading Commission.

☒ approve

☐ disapprove

J

RESUME

DAVID G. GARTNER

Home Address

3420 North George Mason Drive
Arlington, Virginia 22207
(703) 536-6986

Office Address

Suite 2113
Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510
(202) 224-3244

PERSONAL DATA

Born: Des Moines, Iowa
September 27, 1935

Married: 4 children
Excellent Health

PRESENT SALARY: \$49,941

EDUCATION

B.A. Economics
J.D. Washington College of Law

State University of Iowa
American University

BAR MEMBERSHIPS

Virginia
District of Columbia
U.S. Supreme Court

MILITARY SERVICE

- Entered active duty from reserves as Seaman Recruit, U.S. Navy, 1954.
- Honorable discharge as Aviation Electronic Technician, 3/c in 1956 after service in Argentina, Newfoundland.
- Founder and publisher of squadron newspaper, THE FASRON 106 SENTRY.

EXPERIENCE

1973 - Present	Administrative Assistant/Counsel to Senator Hubert H. Humphrey
1971 - 1973	Executive Assistant to Senator Humphrey
1969 - 1971	Law Clerk (O'Connor and Hannan) and Private Consultant
1969	Chief Administrative Officer, Vice Presidential Transition Office

EXPERIENCE CONTINUED

1965 - 1969	Assistant to the Vice President and Staff Director of the Vice President's Capitol Office.
1961 - 1965	Assistant to the Senate Majority Whip and Legislative Assistant/Agriculture.
1960 - 1961	Assistant to Congressman Harold T. (Bizz) Johnson
1959	Assistant to Congressman Steven Carter
1956 - 1959	Reporter and Correspondent, Des Moines REGISTER AND TRIBUNE.

POSITION DESCRIPTION

As Senator and Vice President Humphrey's Assistant:

- Serve as legal adviser to Senator Humphrey.
- Responsible for total supervision of 42 staff members in Washington and Minnesota offices. Direct the recruitment, retention, training, evaluation and promotion of all staff. Establish salary levels for all staff.
- Administer operating budget of more than \$600,000 per annum.
- Oversee Senator Humphrey's daily legislative business, advising Senator on issues and votes. Determine long range legislative issues, priorities and work requirements for assignment to staff.
- Assign, edit and clear all Senator Humphrey's speeches, floor statements, bills and amendments.
- Edit all press releases and newsletters from Senator's office. Approve press and other official appointments with Senator Humphrey. Serve as press spokesman on numerous occasions.
- Approve high priority communications with domestic leaders and governmental officials abroad.

POSITION DESCRIPTION CONTINUED

- Prepare Senator for Committee hearings and mark-ups, serving as legal and economic adviser to the Senator in his capacity as a member of the Agricultural Subcommittee of the Senate Appropriations Committee.
- Supervised passage of Commodity Futures Trading Commission Act of 1974, as Administrative Assistant to Senator Humphrey.
- Serve as Senator Humphrey's representative in meetings with Members of Congress, industrial, labor and agricultural leaders and foreign officials.
- Prepare and accompany Senator Humphrey on travel throughout the world, handling logistics, on-site scheduling and follow-up requirements.
- Responsible for overall coordination of Senator Humphrey's 1976 re-election campaign. Directed fund raising, finishing with a budget surplus. Coordinated production and distribution of issue-research operations, policy papers and legislative achievement materials. Had total responsibility for negotiation, settlement and payment of 1968 and 1972 Presidential campaign indebtedness.

REFERENCES FURNISHED UPON REQUEST

12:00 PM

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 2, 1978

MEMORANDUM TO: THE PRESIDENT

FROM: GRETCHEN POSTON

SUBJECT: LUNCHEON FOR PRIME MINISTER FUKUDA
May 3, 1978 - 12:00 noon

S C E N A R I O

12:00 noon THE PRESIDENT escorts Prime Minister Fukuda from working meeting in Oval Office to the Residence for Luncheon.

12:00 noon Luncheon commences in first floor Family Dining Room

1:00 p.m. THE PRESIDENT escorts Prime Minister Fukuda to North Portico for departure.

PRESS PHOTO OPPORTUNITY

* Menu attached

Wednesday
May 3, 1978
22 guests
12:00 Noon

LUNCHEON

P. M. Fukuda of Japan

Beef Consomme
Cheese Straws

Half Cold Lobster Remoulade
Fresh Artichokes w/ Spinach

Pistachio Ice Cream Cake

9

THE WHITE HOUSE

WASHINGTON

May 2, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS, ^{JF}ACHSAH NESMITH *AN*

SUBJECT: Toast for Working Luncheon with
Prime Minister Fukuda

1. This is the second time you have had the privilege of having him as your guest at the White House since you became President and he became Prime Minister. But your personal relationship goes back to three years ago when he was Deputy Prime Minister and welcomed you as an unknown candidate and ex-governor and shared his vast knowledge of the world economy and his deep understanding of Japanese-American relations with you.

2. We are Pacific powers -- U.S. trade in the Pacific Basin now exceeds our trade with Europe -- and our mutual commitment to a peaceful and prosperous Asia is basic to our foreign policies. Our nations have very different histories and traditions. We share not a common background, but a common belief in democratic principles and human rights and a desire to cooperate on global economic issues. Our trust and respect are deeper because they have grown not from old habit, but out of mutual discovery of our need for each other and our knowledge of the tragedies that have resulted whenever we have not shared common purposes.

3. Prime Minister Fukuda expressed the U.S.-Japan relations aptly last year as the "spirit of peanuts" when he described the United States and Japan as two "fruits" bound up in the peanut shell of individual liberty and human rights. Our fates are linked, our prime protection from the assaults of the world, including recent economic assaults, is the strength of our commitment. (He comes from an area that grows peanuts, and he grew some on his father's farm in his youth. Japan is not self-sufficient in peanuts, however, and imports some from the United States under a quota system, helping to balance our trade).

4. He has also said that "Peace is not only maintained by military might. In the final analysis, peace is best maintained by a stable, happy life for people everywhere." Japan has risen to its current position as a world economic leader on the strength of its ability to provide other nations of the world things they want as part of that life. We both recognize our obligations to help make it possible for all the world's people to enjoy the kind of life he envisions.

5. Another of his descriptions of Japanese foreign policy is "duck" diplomacy, all calm on top but paddling furiously underneath. It is appropriate for a people who value beauty and calm and order in their surroundings and in their own temperaments despite their great energy, drive and imagination.

6. You were impressed last year with Prime Minister Fukuda's recollections of the economic storms of the 1930s and their results, and his concern about forces leading to economic chaos in our time. He brings a brilliant mind and vast governmental experience to these matters, and you welcome the opportunity to discuss these matters with him in preparation for the Bonn Economic Summit in July.

7. A Japanese proverb "Fuyu Kitari Naba, Haru to Kara Ji" translates "After winter's passing, we move into spring." You hope the economic winter experienced by the Western world, and indeed all of the world, will soon be passing into a similar spring. In this spirit you propose a toast to the health of the Prime Minister and to the continued prosperity and welfare of the Japanese people, and to the peace we both value so much.


#

THE WHITE HOUSE

WASHINGTON

May 2, 1978

MEMORANDUM FOR TIM KRAFT

FROM: JIM FALLOWS, ^{Jim}ACHSAH NESMITH 

ABOUT: Fukuda Toast

In addition to the talking points we already sent through Rick Hutcheson, we had this late suggestion for the toast:

Within the last week, two Japanese expeditions have reach the North Pole.

Naomi Uemura (pronounced Nyomi Waymoora), a 37-year old Japanese explorer, became the first person to reach the North Pole alone by dog sled May 1. His 500-mile, 57-day trip was delayed by a hungry polar bear, blizzards, ice floes and the pregnancy of one of his huskies, but he completed the first leg of a planned 3,500 mile journey to take his sled across the ice-bound Artic Ocean to Greenland and travel the length of the island. Because of treacherous ice conditions he may take a plane to Greenland.

The Smithsonian confirmed his arrival at the North Pole after learning of it through an automatic beeper the explorer was carrying that sent a beam via Nimbus 6 satellite to the Goddard Space Flight Center in Greenbelt, Maryland, one of his mission's sponsors.

One of his huskies gave birth to 6 puppies, a polar bear ate all his dogs' provisions (more were flown in) and he was trapped on a 100-foot ice floe at one point.

He had already scaled the highest peaks on five continents and sailed a raft down the Amazon River alone in 1968 and made the world's longest one-man dog sled trip in 1975 (a 7,200 miles, 17-month trek from Greenland to Alaska).

Prime Minister Fukuda sent his congratulations "As a Japanese I am proud of you. Much more severe conditions await you in traversing Greenland from north to south. Pull in your rein and show your nerve."

Last Thursday, 4 students from Nihon University in Tokyo made the fifth overland conquest of the North Pole since Robert E. Peary's six-man expedition in 1909. Two Americans, Richard Byrd and Floyd Bennett were the first persons to fly over the pole in 1926, and the nuclear submarine Nautilus became the first ship to cross under the polar ice in August 1958.

#

FUND-RAISER FOR SENATOR HASKELL

This is a casual, beer and pretzels, people's fundraiser at \$10.00 per person. Senator Haskell is billing it as a "Solar-energy Rally" in his honor. It is called for 7:00 p.m. - 2000 people are expected.

Background on talking points on Haskell are attached.

Hart - Lamm Wirth - Schroeder
Mayor M^cNichols Ch. Kowal
5-3-78

Mysticism - Creation -
Dark hole -
Millions years - fossils → oil
wasted
Pure air, water, earth
Dust storms, erosion
Sand beaches, noise
Human body, drugs, alcohol
Iron Eyes Cody
Land → body → spirit
Defenseless - human rights
Cw. / Rth -
Cambodia
Goat
Israelis - Egyptians - Saudis
black Africans

Floyd Haskell
influential - Andrus / Bergland
Regional split - 3615 - Text → both
Farmer - quiet - competent -
modest - effective - human
Peace, & strength
Non-proliferation
human rights
true tax reforms
energy → solar
300 days (1 of 65)
Golden - S.E.R.E. - Committee 1974
1000,000's of ° → 1000° → 68°
Nuclear power plant - 92 mil. miles
No one against - for future
My youth - windmills - mules - dry crops
Solar research - funding
1st solar loan program - home
Tax credits - inc wind, passive
balanced -

Gary & Jerry
Breakaway

5/2/78

cc: Fallow-
Insert figures - Add
paragraph about SERI
J.C.

I am glad to be here -- in the sun. At times,
last winter in Washington, we almost forgot there was
such a thing.

A little more than a year ago, I went before the
American people to discuss the comprehensive energy
plan I was sending to Congress.

And now, at last, we have made a promising
start toward conserving our limited resources of
fossil and mineral fuel.

But even when completely adopted, the
comprehensive energy plan is only the beginning.

As the National Energy Plan itself says,
"America's hope for energy to sustain economic growth

beyond the year 2000 rests in large measure on the development of renewable and essentially inexhaustible sources of energy."

No matter how good a job of conservation we do, the world's supply of oil and gas will dwindle, become more expensive, and finally run out.

Foreign oil already costs us four times what it did five years ago. Our imports of oil have leaped from \$_____ billion in 19__ to \$_____ billion today.

One result is the inflation that robs us all.

Another is that our weakened dollars wind up abroad.

Another is that our economy becomes more and more at the mercy of foreign cartels. In vital ways, we are no longer the master of our own economic fate.

We must begin the long, tough job of winning our economic independence back from the international oil cartel.

Nobody can embargo sunlight; no cartel controls the sun.

Its energy will never run out. It will never pollute our air or poison our waters. It is free from stench and smog.

The sun's power needs only to be collected, stored and transmitted.

Much of the technology for the job already exists -- both to use the sun's rays directly, and to use the energy it has stored in wind and rain and plants.

In my own youth there were ____ million windmills throughout rural America, and --- hundreds of small damsites producing useful power.

Some 10,000 years ago, Indians were using solar principles to heat dwellings at Mesa Verde and elsewhere.

The historically brief availability of low-cost energy from fossil fuels drove much of that technology into temporary stagnation, but now we are rebuilding on those earlier techniques.

The Anasazi Long House has fallen into ruins, but present-day Coloradans have built perhaps as many as a thousand solar-heated buildings -- including the largest in the United States, the North Campus of Denver Community College.

New and more efficient windmills are being designed, including one with a rotor as long as a football field.

Damsites long abandoned in New England and elsewhere are being returned to use, with improved equipment for generating power.

Government and private industry are working, together and separately, to develop dramatic new techniques as well. Acres of mirrors can focus the sun on "power towers" which will generate electricity from steam. Both gas and liquid fuel can be rproduced from animal wastes, wood chips, and even garbage. Small sun-powered engines are already in use for irrigation. Photovoltaic cells convert sunlight directly into electricity.

The question is no longer whether solar energy works.

We know it works.

The only question is how to cut costs so that solar power can set a cap on rising oil prices.

That question has already been answered in much of the world and many parts of our own country where solar power is as economical today as power from non-renewable sources.

And solar power would become even more widely competitive if the prices of energy from traditional sources in our country were not kept artificially low by various government subsidy programs.

One estimate is that the Federal government, in just the period between 19__ and 19__, spent \$__ billion in various subsidies, mostly to the oil, natural gas, coal and nuclear industries.

Luckily, though, the cost of generating power from the sun is dropping even more rapidly than the cost of oil is rising. The price of photovoltaic cells, for example, has gone down ____-fold since 19____.

The government can speed the process by increasing demand for solar hardware, so that mass production can bring down costs even further.

I intend to have a demonstration solar heating system installed at the White House.

The new National Energy Plan will increase demand for solar equipment by offering more than a billion dollars in tax credits over the next seven years.

A number of measures in the Plan will also bring conventional fuel prices more nearly in line with their true cost -- particularly the natural gas pricing provisions

and the crude oil equalization tax.

We are making a start.

But passage of the comprehensive national energy program is only the beginning of the battle.

The Council on Environmental Quality recently estimated that we could meet a quarter of our energy demands from solar sources by the end of this century -- and more than half by the year 2020.

I promise to make progress toward these goals a cornerstone of this nation's energy policy.

Let me tell you just a few of the things we are already doing or will soon be doing to hasten a solar future.

The Department of Energy is at work on a research and development program aimed at making photovoltaic cells competitive with conventional energy sources by 1986.

The Energy Department is also at work on the use of solar reflectors to electrify small towns, on conversion of wood to oil, on a 10-megawatt power tower now under construction at _____, on plans for a tidal power plant in Hawaii, and on hundreds of other projects, large and small.

The Department of Housing and Urban Development is embarked on a program to add solar hot water heaters to 11,000 dwellings in 10 states.

The Bureau of Reclamation is studying construction of huge "wind farms" in Wyoming, to provide supplemental

electricity during off-peak hours so that the water in hydroelectric dams can be saved up to meet peak demands.

And I can announce today that the Farmers Home Administration will loan \$14 million to the city of Lamar to build a bio-conversion facility that will turn feedlot waste into methane gas to meet 40% of the city's power needs. (Note: if the decision is made to announce this during the trip.)

Let me repeat that these are only a few of the government's thousands of solar energy projects -- and these are only a few of the departments and agencies involved in the task.

In fiscal 1979, with heating and cooling demonstrations, tax credits, and research and development with photovoltaics, wind, ²ocean thermals and biomass, my total federal proposal

for solar energy amounts to more than a half-billion dollars. This is an increase of 64% in just two years.

And yet the bulk of the job will continue to be done by private enterprise, individual initiative, and the inventive genius of America.

Again, I can only name a few of the leaders in the field.

Your neighbor, George Lof ("Lerf") has lived in and designed solar homes since 1945. Malcolm Lillywhite's home on Evergreen Mountain is a solar showplace. So is the Christian Reform Church Center of Hope. Sam Primack has built dozens of solar-equipped houses in and around Denver. I could add hundreds of names, from all over the country, to this list.

The Federal government is helping many of these pioneers in their work. Federal investment in solar energy has gone from \$100,000 in 1970 to the present level of \$400 million -- but we are still not doing enough.

Today I am ordering a Domestic Policy Review by all Cabinet departments and agencies, to begin work on development of a national solar strategy. Secretary Schlesinger will head this Cabinet-level task force.

Among its objectives will be to seek new ways to encourage small business participation; to make capital available and accessible; to expand job opportunities in the solar field; to insure consumer acceptance; and to protect the consumer.

Transition to the post-petroleum world requires a partnership between the private and public sectors: between government and business and labor, the electric utilities, the architectural and engineering communities, the universities and the financial institutions -- and, above all, the public.

During the campaign I called for a United Nations conference on Renewable Energy Resources and Technology. Today, as President, I pledge America's support for such a conference -- in hopes that it will hasten development of renewable energy technologies throughout the world.

The benefits to our own country of such technologies are obvious. They include freedom from dependence on foreign oil, creation of new jobs in the solar industry, protection of the environment, lower risk of nuclear weapons proliferation, and long-term savings to businessmen and homeowners.

But the benefits may ultimately be even greater -- and even sooner -- in those parts of the developing world where energy costs are far higher than in our own country.

There, solar power can already be a paying proposition. And there American technological genius can bring the same blessings that rural electrification brought all of us during my boyhood in Plains.

I am confident that American science and industry will lead the way in this new market, as they earlier did in the spread of American aerospace, electronic and computer technology throughout the world.

These, then, are the challenges we are beginning to meet.

These are the challenges we can meet -- just as we met the challenge of the space race.

And these are the challenges, with the help of all of you, that we will meet.

Thank you.

#

#

#

Sun Day Speech - May 3, 1978

I am glad to be here -- in the sun. At times, last winter in Washington, we almost forgot there was such a thing.

A little more than a year ago, I went before the American people to discuss the comprehensive energy plan I was sending to Congress.

And now, at last, ~~we are about to see passage of that plan.~~ *forward conserving*
~~we~~ have made a promising start ~~on husbanding~~ our limited resources of fossil and mineral fuel.

even when completed, adopted
But [^]the comprehensive energy plan is only the beginning.

As the National Energy Plan itself says, "America's hope for energy to sustain economic growth beyond the year 2000 rests in large measure on the development of renewable and essentially inexhaustible sources of energy."

No matter how good a job of conservation we do, the world's supply of oil and gas will dwindle, become more expensive, and finally run out.

Foreign oil already costs us four times what it did
^{five}
~~100~~ years ago. Our imports of oil have leaped from \$00
billion in 19__ to \$00 billion today.

One result is the inflation that robs us all.

Another is that our weakened dollars wind up abroad.

Another is that our economy becomes more and more at
the mercy of foreign cartels. In vital ways, we are no
longer the master of our own economic fate.

~~It is plain where all this can lead. We can all wind
up, as the bumper stickers threatened during the oil embargo
of 19__, freezing in the dark.~~

We must
~~Or we can~~ begin the long, tough job of winning our
economic independence back from the international oil cartel.

~~And the only permanent way to regain command over our
own economy is to make solar energy as cheap as oil.~~

Nobody can embargo sunlight; ~~after all, and~~ no cartel
controls the sun.

Its energy will never run out. It will never pollute
our air or poison our waters. It is free from stench and smog.

The sun's power needs only to be collected, and stored and transmitted. ~~These are not small problems, it is true.~~ But they are ~~not insurmountable ones, either -- not for a nation that reached the moon in less than a decade.~~

Much of the technology for the job already exists -- both to use the sun's rays directly, and to use the energy it has stored in wind and rain and plants.

In my own youth there were 00 million windmills throughout rural America, and 00 hundreds of small damsites producing useful power.

Some 10,000 years ago, ~~here in Colorado, the~~ ~~Anasazi~~ Indians were using solar principles to heat dwellings at Mesa Verde and elsewhere.

The historically brief availability of ~~low~~-cost energy from fossil fuels drove much of that technology into temporary stagnation, but now we are rebuilding on those earlier techniques.

The Anasazi Long House has fallen into ruins, but present-day Coloradans have built perhaps as many as a thousand solar-heated buildings -- including the largest in the United States, the North Campus of Denver Community College.

New and more efficient windmills are being designed, including one with a rotor as long as a football field.

Damsites long abandoned in New England and elsewhere are being returned to use, with improved equipment for generating power.

Government and private industry are working, together and separately, to develop dramatic new techniques as well. Acres of ^{of} ~~giant~~ mirrors can focus the sun on "power towers" which will generate electricity from steam. Both gas and liquid fuel can be produced from animal wastes, wood chips, and even garbage. Small sun-powered engines are already in use for irrigation. Photovoltaic cells convert sunlight directly into electricity.

-5-

The question is no longer whether solar energy works.

We know it works.

The only question is how to cut costs so that solar power can set a cap on rising oil prices.

~~And even~~ that question has already been answered ~~x~~
in much of the world and many parts of our own country
where solar power is as economical today as power from
non-renewable sources.

And solar power would become even more widely
competitive if the prices of energy from traditional sources
in our country were not kept artificially low by various
government ^{subsidy programs.} ~~policies.~~

One estimate is that the Federal government, in just
the period between 19__ and 19__, spent \$000 billion in
various subsidies, mostly to the oil, natural gas, coal
and nuclear industries.

-6-

Luckily, though, the cost of generating power from the sun is dropping even more rapidly than the cost of oil is rising. The price of photovoltaic cells, for example, has gone down 00-fold since 19__.

The government can speed the process by increasing demand for solar hardware, so that mass production can bring down costs even further. ~~The National Energy Plan does this in a number of ways.~~

~~One is by requiring installation of solar equipment in new Federal buildings, where suitable. As I announced before leaving Washington on this trip, I have taken the lead by ordering the installation of a solar system at the~~
ed I intend to have demonstration heating installed
White House.

new
The National Energy Plan ~~also~~ will increase demand for solar equipment by offering more than a billion dollars in tax credits over the next seven years.

A
The number of measures in the ~~National Energy~~ Plan will also ~~have the effect of bringing~~ conventional fuel prices

-7-

more nearly in line with their true cost -- particularly the natural gas pricing provisions and the crude oil equalization tax.

making a start.
We are ~~about to make a start~~, then.

But passage of ^{*the*} ~~my~~ comprehensive national energy program is only the beginning of the battle.

The Council on Environmental Quality recently estimated that we could meet a quarter of our energy demands from solar sources by the end of this century -- and more than half by the year 2020.

I promise to make progress toward these goals a cornerstone of this nation's energy policy.

Let me tell you just a few of the things we are already doing or will soon be doing to hasten a solar future.

The Department of Energy is at work on a research and development program aimed at making photovoltaic cells competitive with conventional energy sources by 1986.

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to oil, on a 10-megawatt power tower now under construction at _____, on plans for a tidal power plant in Hawaii, and on hundreds of other projects, large and small.

The Department of Housing and Urban Development is embarked on a program to add solar hot water heaters to 11,000 dwellings in 10 states.

The Bureau of Reclamation is studying construction of huge "wind farms" in Wyoming, to provide supplemental electricity during off-peak hours so that the water in hydroelectric dams can be saved up to meet peak demands.

And I can announce today that the Farmers Home Administration will loan \$14 million to the city of Lamar to build a bio~~4~~-conversion facility that will turn feedlot waste into methane gas to meet 40% of the city's power needs. (Note: if the decision is made to announce this during the trip.)

Let me repeat that these are only a few of the government's thousands of solar energy projects -- and these are only a few of the departments and agencies involved in the task.

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and research and development in ~~the~~ with
photovoltaics, wind, ocean thermals, ^{and} biomass and
proposal for

In fiscal 1979, ^{my} the total federal commitment to solar
amounts energy ~~may come~~ to more than a half-billion dollars. *This is an*
increase of 64% in just two years.

And yet the bulk of the job will continue to be done
by private enterprise, individual initiative, and the inventive
genius of America.

Again, I can only name a few of the leaders in the field.

Your neighbor, George Löf (pronounced "Lerf") has lived
in and designed solar homes since 1945. Malcolm Lillywhite's
home on Evergreen Mountain is a solar showplace. So is the
Christian Reform Church Center of Hope. Sam Primack has
built dozens of solar-equipped houses in and around Denver.
I could add hundreds of names, from all over the country,
to this list.

The Federal government is helping many of these
pioneers in their work. Federal investment in solar energy
has gone from \$100,000 in 1970 to the present level of
\$400 million -- but we are still not doing enough.

(The following are a series of initiatives proposed by DoE. Their inclusion will depend on which options the President selects from Stu's Presidential Decision Memo on solar energy.)

Therefore, later this week, Energy Secretary Schlesinger will propose to Congress a series of new initiatives for possible incorporation into the Energy Department's 1979 budget.

These will include a speed-up in research and development of photovoltaic solar energy, or wind machines, and of new processes to convert waste from the forest and the farm into clear liquid fuels.

Today I am ordering a Domestic Policy Review by all cabinet departments and agencies, to begin work on development of a national solar strategy. Secretary Schlesinger will head this cabinet-level task force.

Among its objectives will be to seek new ways to encourage small business participation; to make capital available and accessible; to expand job opportunities in the solar field; to insure consumer acceptance; and to protect

the consumer.

I am asking the members of my cabinet to begin this process by hosting public meetings through the country during the next two months.

I am also asking my Cabinet to study where solar energy can be used economically in their department's, and to identify specific actions they can take to expand use of solar energy in the private sector.

Transition to the post-petroleum world requires a partnership between the private and public sectors: between government and business and labor, the electric utilities, the architectural and engineering communities, the universities and the financial institutions -- and, above all, the public.

To help forge this partnership, I am asking Secretary Schlesinger to join me in hosting a series of meetings with state and local officials, educational leaders, solar experts, members of the financial community, consumer groups and other leaders. At these meetings, we will seek ways to speed

the use of solar energy.

Once the Domestic Policy Review is completed, we will hold a White House conference to decide how the results of that review can best be made part of the next National Energy Plan.

During the campaign I called for a United Nations conference on Renewable Energy Resources and Technology. Today, as President, I pledge America's support for such a conference -- in hopes that it will hasten development of renewable energy technologies throughout the world.

The benefits to our own country of such technologies are obvious. They include freedom from dependence on foreign oil, creation of new jobs in the solar industry, protection of the environment, lower risk of nuclear weapons proliferation, and long-term savings to businessmen and homeowners.

But the benefits may ultimately be even greater -- and even sooner -- in those parts of the developing world where energy costs are far higher than in our own country.

There, solar power can already be a paying proposition.

And there American technological genius can bring the same blessings that rural electrification brought all of us during my boyhood in Plains.

I am confident that American science and industry will lead the way in this new market, as they earlier did in the spread of American aerospace, electronic and computer technology throughout the world.

These, then, are the challenges we are beginning to meet.

These are the challenges we can meet -- just as we met the challenge of the space race.

And these are the challenges, with the help of all of you, that we will meet.

Thank you.

#

THE WHITE HOUSE
WASHINGTON

May 3, 1978

Hugh Carter

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson
cc: Stu Eizenstat
Jody Powell
Phil Wise

SOLAR HEATING

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
/	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
/	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
/	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
/	WISE - top page

THE WHITE HOUSE
WASHINGTON

5/2/78

Mr. President:

According to DPS, Secretary
Schlesinger concurs with
Eizenstat.

Rick

THE WHITE HOUSE
WASHINGTON

May 1, 1978

*Hugh -
I prefer small
H₂O heating system -
Maybe East - or West
Wing - Must not
be eyesore - Check
with me - J*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT: Solar Heating of the White House

Several weeks ago you decided not to install any of three proposed solar heating systems for the White House. In his memo to you on the subject, Hugh Carter had recommended against the systems both because of the disruptive effects of construction and the economic inefficiencies involved. Primarily because of the economic considerations, I concurred with Hugh's recommendation.

Since then, however, I have reviewed the matter again, and now believe that you should authorize a minimal solar energy installation. For the following reasons, I request that you reconsider your initial decision:

(1) In the general public's mind, especially in the environmental community, the Administration is not viewed as very committed to the development of solar energy. That perception, though unfair, can be attributed to three factors: (a) the FY '79 budget for solar energy -- if the solar tax credits are excluded -- is below the '78 budget; (b) the National Energy Plan is widely viewed as having largely ignored solar and alternative energy sources and concentrated instead on oil, natural gas and coal; and (c) the Administration has not played a leading role as a public proponent of solar energy.

This perception of the Administration will be altered if you decide to approve some additional solar energy funding, as Jim Schlesinger's Energy Supplies Initiative Memorandum requests. Your activities on Sun Day will help to identify you personally with solar energy. But these steps will need bolstering if a perception that has been building for nearly a year is to be changed.

A significant additional step you could take would be installing a solar energy unit at the White House. Although such a step would involve relatively little funding, it would provide a symbol of your commitment to solar energy that millions of dollars in additional solar R & D funds could not come close to matching. It would provide a symbol of commitment that is understandable to all Americans, and would enable you to recapture the initiative in the solar energy area. Of course, the symbol of your commitment would have greater significance than simply identifying you more closely with the issue. It would also serve as a powerful incentive to many Americans to follow your lead and solar heat their homes. The White House experience will show, to the great number of interested but skeptical Americans, that solar energy is clean, practical and worth the long-term investment.

(2) While the cost of installing a solar unit is minuscule when compared with other Federal solar expenditures, it may appear high in the eyes of the average citizen. As you may recall, Hugh presented three options: (i) \$95,000 for domestic hot water in the Residence; (ii) \$500,000 for domestic hot water and heating in the Residence and East Wing; and (iii) \$860,000 for hot water, heating and cooling in the Residence and East Wing.

While alternatives (ii) and (iii) are less defensible in terms of cost, alternative (i) -- hot water only -- can be easily defended and is not at all likely to produce serious criticism about wasting taxpayers' money. If that is a concern, the funds could be raised privately through the White House Historical Commission or through a separate vehicle that might be established just for this purpose. (The Commission was used by President Ford to raise funds for the Residence swimming pool, and would have no trouble raising \$95,000 -- or more -- in small contributions for a solar unit.)

Regardless of how small a unit you might choose, or how the unit is funded, the issue of cost efficiency should be addressed. As Hugh's memo indicated, none of the three units is cost efficient in the sense that they will immediately produce savings. The initial cost of a unit makes annual cost savings impossible, for any solar unit, for many years. However, solar units should not be viewed solely from the perspective of short-term savings. Rather, they must be seen as units which will in the longer term save money, will reduce the consumption of and demand for fossil fuels and will reduce air pollution. That is the perspective from which you should judge a White House unit (in addition to its value as a symbol to millions of potential solar unit users).

(3) Aside from the much smaller cost, there are several other reasons why I recommend alternative (i):

- o The unit could be installed with minimal change -- and no permanent damage -- to the Residence's physical structure; in addition, the solar panels would not alter the public appearance of the Residence.
- o The relative simplicity, insofar as solar technology is concerned, of a unit for water heating would virtually ensure that embarrassing cost overruns could not occur, that the construction timetable could be met (8 months), and that the installed unit would work. (If a more complicated unit were installed, and it did not work perfectly, the attention received would no doubt set back solar technology's popularity.)
- o The limited unit could be presented as a first step toward further solarizing of the White House; it would provide an initial test from which the desirability of expansions could be determined.

(4) I think your announcement of a solar unit in the Residence would be especially well received if done on Sun Day. You are presently scheduled to discuss Administration solar initiatives at the dedication in Golden, Colorado of the Solar Energy Research Institute. You could announce, as a kick-off to your Sun Day participation, the decision on the Residence as you leave the South Lawn for Colorado, or while there.

DECISION

Install Solar Unit in White House

- (i) Hot Water - Residence _____ (Recommended)
- (ii) Hot Water and Heating in Residence and East Wing _____
- (iii) Hot Water, Heating and Cooling in Residence and East Wing _____
- No Unit _____

Funding

Use Government Funds (Interior Dept.) _____

Have White House Historical Commission
Raise Private Funds _____ (Recommended)

Establish Separate Funding Unit _____

Announcement

Prepare remarks for South Lawn
Departure _____ (Recommended)

Incorporate Announcement in Golden,
Colorado Remarks _____


Postpone Announcement _____

THE WHITE HOUSE

WASHINGTON

May 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER 
SUBJECT: Solar Energy in the White House

Mr. President, my views on the use of solar energy in the White House complex have not changed since my memo of 2/17/78 (see Tab A). Furthermore, if you feel some type of announcement is necessary for your South Lawn departure, I would offer the following three alternatives:

1. I understand that there is an inter-agency review of solar initiatives underway by the Department of Energy. I suggest you announce that "this group will report directly to someone on the White House staff who has a high name recognition factor" (e.g. Bob Strauss being designated White House inflation contact.)
2. Make some announcement regarding the Assistant Secretary for Solar Applications position in the Department of Energy, which as yet is not filled.
3. If the Department of Energy has any pending announcements on research grants, you could announce them as you leave from the South Lawn.

If you decide to go ahead with the project, I do have some apprehension about making the announcement Wednesday morning. My concern stems from two facts:

1. On this short notice, it would be difficult to properly coordinate an announcement with the press and the Energy Department.
2. We would not have an opportunity to properly notify the members of the Commission on Fine Arts. In discussions with Rex Scouten, he mentioned it would be very important, politically, to contact them before an announcement is made.

A day would be insufficient time to adequately handle these problems.

If the project is approved, funding should come from either Government monies or a donation by a solar industry association. An example of this type of fund-raising is the White House swimming pool, which was donated by the National Swimming Pool Association, and not funded by the White House Historical Association as Stu's memo indicates.

I feel the major question to be answered is: Do you want to accept an economically unjustified project for its public relations value, and if you do, will the positive public relations value exceed the criticisms of such a project? Again, Mr. President, I feel it will not.

TAB A

~~CONFIDENTIAL~~ Drop idea
without announcement C

THE WHITE HOUSE
WASHINGTON

February 17, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *[Signature]*
SUBJECT: Solar Energy in the White House

BACKGROUND:

At the request of Dr. Schlesinger, a task force was assembled to study the feasibility of using solar power for either heating, cooling, and/or domestic hot water in the White House. Such a project would demonstrate the Administration's commitment to alternative energy sources. The study was spearheaded by ERDA in cooperation with my office, GSA, and the National Park Service. We have reached a plateau where a decision must be made to either go forward with the project by allowing bids, or to cancel the project. I feel that at this time, it has become necessary to seek your opinion.

STUDY:

The study is a preliminary investigation of the architectural, technical and economic questions concerning such a project. From a proposal of nine possibilities, the study team has trimmed the proposal to three:

Scenario 1 - Domestic hot water in the Residence (DHW)

Scenario 2 - DHW and heating in the Residence and East Wing

Scenario 3 - DHW, heating and cooling in the Residence and East Wing

All three projects can be designed to fit existing heating and cooling systems. A number of architectural possibilities exist which can be adopted to minimize the visual impact on the Residence and East Wing roof.

In the study you will see two cost figures for each project; the lower figure represents estimated costs if construction were performed on an office building architecturally similar to the White House.

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. SEC. 1.3 AND
CONTACT'S MEMO OF MARCH 13, 1993"

The second figure is a more realistic figure in that it represents hidden costs which you must expect when performing construction in the White House complex (i.e., delays for security reasons, delays due to Bill signings, First Family activities, etc.).

Financing of the projects would be as follows:

Scenario 1 - The National Park Service has the money in its construction budget to finance this one.

Scenarios 2 and 3 - A supplemental appropriation would have to be requested from Congress.

Even using the lower figure, it is difficult to justify these projects. If these projects were considered as a normal business venture, they would be scrapped, as the net present value of the total cash flow surrounding the project is negative. (highlighted on attached)

SUMMARY:

Pro - 1) Shows evidence of our commitment to alternative energy sources.

2) This project demonstrates that solar technology can be applied to old structures.

Con - 1) Criticism from people about tampering with the structure and beauty of the White House.

2) Criticism for building something which is not economically justified.

3) During construction there will be some disruption of the daily lives of the people who live and work here.

4) Both the Residence and Wings are old structures which have been remodeled extensively. GSA and the National Park Service recommend that we do not proceed with non-essential construction changes.

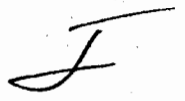
MY RECOMMENDATION:

Mr. President, the disruptive effect of construction in this complex and the unjustified economics of this project lead me to recommend that the idea should be dropped. I feel that the Federal Government can use better locations for demonstration projects.

() Proceed with the contract bids

() Arrange a further briefing for me.

(☒) Please discontinue the project



ID 782302

T H E W H I T E H O U S E

WASHINGTON

DATE: 02 MAY 78

FOR ACTION: HUGH CARTER

INFO ONLY: JODY POWELL

SUBJECT: EIZENSTAT MEMO RE SOLAR HEATING OF THE WHITE HOUSE

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW: